

NLSO Midlant Builds Military Appreciation Purchase Program

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In an effort to make the process of purchasing an automobile more transparent and educational to military personnel and their families in the Hampton Roads, Va. area, the Navy Legal Service Office Mid-Atlantic (NLSO Midlant) partnered with local agencies and automobile dealerships to create the Military Appreciation Purchase Program (MAPP).

The brainchild of Mr. Dwain Alexander, a NLSO Midlant legal assistance attorney, the MAPP provides educational resources to service members or their families when they begin to negotiate a vehicle purchase at the automobile dealership. Military customers can go to the website www.mappva.com to find more information and a list of participating dealerships.

Included in the resources are: a notice of buyer's legal rights and a commitment to compliance from the dealership; a special point of contact at the dealership for questions and problem resolution; the fair market value of the vehicle being purchased as established by the National Automobile Dealers Association (NADA), Kelly Blue Book (KBB) or, for new vehicles, the Manufacturers Suggested Retail Price (MSRP); an opportunity to have the contract reviewed by a legal assistance attorney or other party prior to the sale; and the explanation of the warranties and service contracts provided with each sale.

In response to a growing number of legal assistance cases resulting from car dealerships using abusive sales techniques such as misrepresentation and fraud, Mr. Alexander researched the issue. He found that the problems were extensive. For example, he found evidence of contracts and credit applications being submitted to banks with false information. Often, military members paid well in excess of the fair market value for vehicles or purchased cars that barely ran. Some service members paid for warranties and service contracts that were over-priced and ineffective. Others were talked into purchasing vehicles even though they did not have a license to drive. Mr. Alexander also found evidence of unlawful solicitation by car dealerships. Service members who were told they got the best deal possible were accepting loans at high interest rates because they did not shop for better credit terms. Some conduct, such as bank fraud, is criminal. A lot of the observed conduct is immoral or unethical and all of the conduct is bad for the service member.

"Unfortunately, only a small fraction of the Sailors who end up in these situations come to see an attorney," said Mr. Alexander. "Of those, only a few will be able to get out of their original contract. Worse, many of these auto dealers place binding mandatory arbitration agreements in their contracts. Binding mandatory arbitration agreements block the service member's

access to the courts for redress of wrongs and are frequently so cost prohibitive that it bars any redress."

In response to these findings, Mr. Alexander arranged a meeting with the representatives from the Department of Motor Vehicles, Motor Vehicle Dealer Board, the Better Business Bureau, and the new and used auto dealer associations.

"During our discussions, we focused on gathering all the information a service member needed in order to make an informed, intelligent decision of where and how to invest his or her money in the purchase of a vehicle," said Mr. Alexander.

With the service member's best interest in mind, the group came up with the educational materials that would best inform military customers. They also wrote an agreement for participating auto dealerships to provide this information to military customers prior to the purchase of a vehicle. In return, those participating dealerships receive MAPP certification, and the program and participants will be advertised to service members and their families on military bases in Hampton Roads.

"MAPP is based upon a Fort Campbell Code of Ethics program," said Mr. Alexander. "We modified it by including a 360 review with standardized form disclosures."

Under the program, MAPP dealerships agree to follow a code

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of ethics and provide disclosures to service members and their families. The process begins when a service member or their immediate family member starts to work with a MAPP dealership. The military customer receives a disclosure statement that lists their rights under the program and discloses information about the

financial and legal aspects of the transaction. The document is completed, signed, and provided to the military customer before he or she signs a Buyer's Order, Retail Installment Sales Agreement or other contract to purchase.

The premise of the program is that information is power. An informed consumer will have the information to determine the vehicle condition and history, the fair market value of the vehicle, and whether a warranty or service contract is needed. With the fair market value and an unsigned contract to purchase the service member can shop at his bank or credit union for the best credit terms based upon their credit worthiness.

"The dealerships have committed to assist those who protect our nation by reducing the stress, confusion, and harm that frequently occurs when an uninformed consumer engages in expensive financial transactions," according to the MAPP mission statement.

"The best way to fight the crime of misinformation is with truth and education. The heroes of this program are the dealerships who chose to make a difference to our service members through educational material with open and honest disclosures," said Mr. Alexander.